

U.S. BANKRUPTCY COURT
Western District of Wisconsin
SECTION 341 MEETING PROCEEDING MEMO AND
STANDING CHAPTER 13 TRUSTEE'S REPORT

IN RE:

Name: Nicholas Sweatt

Case # 24-10787

Debtor Information:

SS#: XXX-XX-0125

Addr: 5102 Tonyawatha Trail
Monona, WI 53716

County: DANE

Spouse Information:

SS#:

Addr:

County:

Debtor's Attorney: WADE M. PITTMAN

341 Meeting Date: 05/22/2024

Adjourned 341 Date:

Tape #: 27

Date Filed: 04/22/2024

Schedules Filed:

Plan Filed: 04/22/2024

Amd Plan Filed: 04/22/2024

Appearances: Debtor: WDL,SS, y

Attorney: y

Creditors: Atty Krekeler for Edmunds, see attachment

1. INFORMATION WHICH WOULD MAKE DEBTOR'S STATEMENTS AND SCHEDULES MORE ACCURATE:

A. New Employment: _____

B. New Address: _____

C. Other: _____

2. ELIGIBILITY / DEBT ANALYSIS:

A. Eligible under Section 109(e)? Y

B. Analysis of Scheduled Debt:

Attorney	5,000.00
Unsecured	20,217.00
Priority	12,000.00
Refund	0.00
Secured	552,717.00
Case Costs	0.00
Total Debt	589,934.00

C. Does Debtor have Regular Income? Y

D. Prior Bankruptcies: _____

E. DSO's: Y _____ N _____

F. Tax Returns

IRS CLM HAS 23 ESTIMATED - extended due date and filed now

Tax Year	Income	Refund Due	Federal Tax Return		State Tax Return		EIC	Other	Other 1
		Trustee	Received On	Refund Amt	Received On	Refund Amt	Amount	Amount	Amount
2022	174,638.00	-17,975.00		-11,188.00		-2,787.00	0.00	4,000.00	0.00
2023	125,688.00	-396.00		2,581.00		1,023.00	0.00	4,000.00	0.00

G. Self Employment

Is Debtor Self Employed? Y

Does Debtor Incur Trade Debt? N

Did Debtor Complete Business Trade Questionnaire? Y

Will a Monthly Operating Report be Required? Y _____ N _____

3. MONTHLY BUDGET:	Budgeted Income	8805.13	Available for Plan	537.63
	Budgeted Expenses	8267.50	Plan Payments	525.00
	Available for Plan	537.63	Excess	12.63

A. Does Budget appear reasonable? N

- NFS INFO PROVIDED, 2023 SHOWS GROSS WAGE FOR HER \$85,772, YEARLY AVG FOR HER MEANS TST & SCHED I = \$72,756 - EXPLAIN.- switched job last year in June - need to confirm NFS MT income

- CHILDCARE/EDUCATION \$1112.50 (DEPs ARE 8&10, \$500/MO LIFE INSURANCE Says spending that mostly after school care

- MINI BUSINESS BUDGET PROVIDED (PG 28). REQUEST 6 MO BREAK-DOWN TO VERIFY "CONSTANT INCOME OF \$20,000 AND CONSTANT EXPENSES OF \$16,000" PER PG 5 OF MEANS TEST, ALSO \$0 FOR SBA LOAN PYMTS- they are 10k /mo - take jobs 4-5 jobs at 5k each month. Did that budget based on past taxes

B. Means Test: Is all disposable income applied? (Sec 1325(b)(1)(B)) N

-529 PLAN FOR DAUGHTER VALUED AT \$2617 - WHEN FUNDED? - yes contributing, started last year

-BUSINESS VALUED AT \$24,500, INCLUDES 2 VANS (\$37,000) - DETAILS? + TOOLS/INVENTORY (\$4000)- assets

-UNTIL 6/2023 DEBTORS LIVED ON E DEAN AVENUE, NO SALE INFO PROVIDED ON SOFA

-SOFA#4 INDICATES BUS INCOME OF \$102,000 IN 2022 AND \$48,000 IN 2023, WHY THE BIG DROP? - bought a house and took time off in June. Then Oct of 23, both work veh hit by uninsured driver and had to deal with that instead of working

C. Will debtor be able to make all payments under the plan and comply with the plan? (Sec 1325(a)(6)) Y

-SCH E DELQ TAXES, ADDRESSED FOR FUTURE? yes

4. PLAN:

A. Number of months the Plan is expected to last: 36

Payment Start	Payment End	Payment Amount	Frequency	Source
5/22/2024	5/21/2027	525.00	MONTHLY	DEBTOR

B. Total to be paid into the Plan: 18900.00

C. Approximate percentage to Unsecureds: 0

D. Source of Income: SELF-EMPLOYED

Spouse income: _____

E. Wage Order Sent To: DEBTOR

F. Payments received to Date: \$525.00

Will debtor commence payments within 30 days after the plan has been filed? Y

G. Has the plan been proposed in good faith and not any means forbidden by law? (Sec 1325(a)(3))Y

If "No", plan cannot be confirmed.

H. Attorney Fee Requested 5000.00 Paid to Date: _____

Balance Due Under Plan 5000.00 Approximate months to pay: 10.00

Trustee recommends amount requested? Y

If no, amount the Trustee recommends:

I. Does the Plan Properly Classify Debts? Y

J. Does the plan provide for curing of default or payment in full of Secured Debt? (Sec 1325(a)(5))Y

K. Does the plan provide for full payment of Priority Debt? Y

-IRS CLAIM FOR 2023 TAXES IS JUST \$1000, PLAN INDICATES \$12,000

L. Was a Liquidation			
Analysis Provided By the Debtor? (Sec 1325(a)(5))		<u>Under Chapter 7</u>	<u>Under Chapter 13</u>
N Unsecureds Do Better Under Chapter: 13	Assets:	666567.00	Total Paid To Plan: 18900.00
	Admin, Security: Priority (ASP)	569717.00	A.S.P. Debt: 569717.00
	Exemptions:	97800.00	Less Direct: 552717.00 17000.00
	Available for UnSec:	-950.00	Trustee Fee on Net A.S.P: 1201.28
			Amt Avail for Unsec: 698.72

5. CLAIMS AND OBJECTIONS

Direct Claims

SUMMIT CREDIT UNION	Scheduled for:	15,568.00	Filed for:	0.00
Claim Ref Number: 12	Scheduled as:	DIRECT	Filed as:	Not Filed
Reason: mortgage homestead 5102 Tonyawatha			Filed date:	
Objection Filed? No				
SUMMIT CREDIT UNION	Scheduled for:	537,149.00	Filed for:	0.00
Claim Ref Number: 11	Scheduled as:	DIRECT	Filed as:	Not Filed
Reason: mortgage homestead 5102 Tonyawatha Tr			Filed date:	
Objection Filed? No				

Priority

INTERNAL REVENUE SERVICE	Scheduled for:	12,000.00	Filed for:	1,000.00
Claim Ref Number: 13	Scheduled as:	Priority	Filed as:	Priority
Reason: 2023 income tax (not filed)			Filed date:	4/25/2024
Objection Filed?	No			

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US BANKRUPTCY COURT	Scheduled for:	0.00	Filed for:	0.00
Claim Ref Number: 4	Scheduled as:	Case Costs	Filed as:	Not Filed
Reason:			Filed date:	
Objection Filed?	No			

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DEBTOR	Scheduled for:		Filed for:	
Claim Ref Number: 2	Scheduled as:	Refund	Filed as:	Refund
Reason:			Filed date:	4/22/2024
Objection Filed?	No			

DEBTOR	Scheduled for:	0.00	Filed for:	0.00
Claim Ref Number: 3	Scheduled as:	Refund	Filed as:	Not Filed
Reason:			Filed date:	
Objection Filed?	No			

Attorney

WADE M. PITTMAN	Scheduled for:	5,000.00	Filed for:	
Claim Ref Number: 1	Scheduled as:	Attorney	Filed as:	Not Filed
Reason:			Filed date:	
Objection Filed?	No			

6. TRUSTEE RECOMMENDATIONS:

Does Trustee Recommend Confirmation? N

Trustee Comments:

{ 3A, 3B }
Note:
-\$5000 ATTY FEES, BUSINESS CASE

Objection Items:
- MISSING: MORTGAGE
- NEED TO CONFIRM NFS MT INCOME
- UNTIL 6/2023 DEBTORS LIVED ON E DEAN AVENUE, NO SALE INFO PROVIDED ON SOFA
- SCH C SHOWS \$9500 EQUITY IN BUSINESS NOT PROTECTED BY EXEMPTION, OUR LIQ ANALYSIS IS SKEWED BY \$12,000 SCHEDULED PRIORITY DEBT, CREDITORS DO BETTER IN CH. 7

Date Completed: 06/06/2024

/s/ _____
Mark Harring
Standing Chapter 13 Trustee

Atty Krekeler for Edmunds, Re accident with veh - are there claims you are pursuing? No, used insurance coverage. When was business started? Dec 2010. Do you own Bastien property? Yes, but sold. Paying for life ins? \$500 for standard term insurance. DOB asked & given in attempt to substantiate why premium is that amt. When married? 2011. Marital prop agreement? no. Pre nup? no. Any assets of hers not listed? Not aware of any. Any assets she owns not listed? Thinks all is listed. What is \$1,112 childcare/ed on J? - after school programs cost. Any loan apps with Summit or SBA? Yes. Is wife co-debtor on SBA or Summit loans? thinks not. Mrtge is both. She is on mrtg, anything else? That should be it. Oh, and also HELOC. File joint tax returns? yes. Is she a co-debtor on taxes owed? Yes, also on IRS. Is wife on credit cards? If on bankruptcy schedules they are his. She has her own, he does not know amts, RE Sched G any leases? storage thru LLC. Does LLCc pay rent for use of residence?. No. Does LLC have any CC or other debts? SBA loan. Are you a cosignor or guarantor for the LLC on that? yes - Requested documents to confirm. Are all bank accts wife has an interest in listed? Yes, recanted and indicates misunderstood. What bank accts does your wife have? She has UW and they have Summit accts. Does wife have any not listed on BK? No. How many vehicles does business have now? 2 Have a boom lift? No -(had rental) On Edmunds claim re accident, who took something out of back seat? Employee (Phillp Craig) took supplies from back of vehicle. Bought home when? June 22, For how much? \$603k Now listed at same \$, why? Umm needed some stuff. What did you do to improve? Did siding & windows \$55k, sump pump \$15k. Interior? Had leaky bath being remodeled 15k, landscaping most he did himself for a few hundred. Permits taken? Sump and bath yes. Used Zillow assess. Krekeler says 780k on Zillow (note, Zillow shows \$630,800 now & sig unused WI exemption available) If \$603 is cost of sale. what is home worth? ~\$625 around what he paid for it. Thinks Zillow is high. Was LLC owed \$ at time of filing? Probably but is all goes out for salaries and exp. Discussion re accounting records and details avail. All assets listed? Yes. All pay in full in advance? Sofa 28 says none but any fin stmt provided? Summit SBA? yes but thinks over 2 year ago. Parents alive? mom yes, dad passed. Wife on salary or commission? Commission. Bonus? um..depends. Still same employer? Yes